GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:216
ANSWERED ON:25.04.2016
Steel Production
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Will the Minister of STEEL be pleased to state:

(a) whether there is a gap between production capacity of crude steel and its actual production by the Public and Private Sector Companies in the country during each of the last three years and the current year and if so, the details thereof, company-wise;
(b) the number of Special Purpose Vehicles (SPVs) formed by the Government to bridge the said gap, SPV-wise;
(c) the details of the investments made by the Public/Private Sector Companies for their expansion and modernisation across the country to participate in the Make-in-India Programme of the Government since its inception; and
(d) whether the Government proposes relaxation in norms for setting up of new steel plants in order to increase steel companies" participation in the said programme and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF (SHRI VISHNU DEO SAI)
STEEL AND MINES

(a) Yes, Madam. There is a gap between production capacity of crude steel and its actual production by the Public and the Private Sector Steel Companies. The current financial year has just begun. Therefore, details for four years from 2012-13 to 2015-16 are given at Annexure-I.

(b) Based on the decision taken in the meeting of High Level Committee on Manufacturing held on 09.07.2013 to achieve the ambitious target of 300 Million Tonne Per Annum (MTPA) steel production capacity by 2025, a concept of Special Purpose Vehicle (SPV) was enunciated. Four mineral rich States, namely, Chhattisgarh, Odisha, Karnataka and Jharkhand were identified for setting up of Integrated Steel Plant through the SPV route. So far, Memorandum of Understanding (MoU) has been signed with the State Governments of Jharkhand and Chhattisgarh. The greenfield integrated steel projects in Jharkhand and Chhattisgarh will be of the capacity of 3+3 or 4+2 MTPA capacity range, each.

(c) Steel being a deregulated sector, investment, including under Make-in-India programme both for the fresh or for the expansion and modernisation, is made by prospective investors based on various factors including commercial consideration and market dynamics. Among the Public sector, SAIL has undertaken expansion & modernisation of its six steel plants at a total cost of Rs. 72,134 crore. RINL had undertaken expansion & modernisation of Vizag Steel Plant at a total cost of Rs. 12,291 crore. The Expansion & Modernisation of Salem, IISCO, Rourkela, Durgapur and Bokaro Steel Plants of SAIL are completed and that of Bhilai Steel Plant is scheduled for completion by December, 2016. The expansion & modernisation of Vizag Steel Plant of RINL is completed. Further, RINL has also taken up modernisation and expansion of Vizag Steel Plant at a cost of Rs. 3600 crores to increase the capacity from 6.3 to 7.3 MTPA. NMDC is setting up a greenfield 3.0 MTPA integrated steel plant at Nagarnar.

(d) Steel is deregulated industry and no license is required to make investment to set up a new steel plant, except for the statutory requirements related to land acquisition, environmental and forest clearance, water use, etc. The decisions in regards to investment in the steel capacities are based on various factors including commercial consideration and market dynamics.
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